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FOREIGN AGRICULTURE



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Agricultural Trends:
Taiwan, Italy, Nepal

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A fruit boat winds its way along the Grand Canal in Venice. For a report on the agricultural situation in Italy see article beginning on page 7.

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Farm products of Taiwan. Above, picking tea in central Taiwan. Left, a banana export inspection station.



Taiwan: A View of Rural Progress

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Since January 1949, when the Republic of China established its central government in Taipei, Taiwan, that island has completely reversed its agricultural outlook. Once nearly bankrupt, with an urgent need for food assistance and dim prospects for agricultural self-sufficiency, Taiwan now enjoys rapid growth in nearly all sectors of its economy. Today, its need for U.S. aid has almost disappeared. The island has diversified its agriculture and is producing an increasing variety of agricultural exports. In recent years, several of Taiwan's agricultural export commodities have become highly competitive in the world marketplace.

Present production

From 1953 to 1960, Taiwan's total agricultural production, including forestry, fisheries, and livestock, increased by an annual average of 4 percent; from 1961 to 1968, it increased at 5 percent a year. However, preliminary estimates indicated that crop production in 1969 decreased by 2.1 percent, owing to damage from typhoons Elsie and Flossie. In that year, the value of Taiwan's total agricultural production increased less than 1 percent; and Taiwan's food production decreased by 1 percent. Forestry, fishery, and livestock production, however, increased 2, 6, and 7 percent, respectively.

The increased availability of food for domestic consumption has made the Taiwanese people among the highest consumers in Asia. The average daily per capita energy intake is currently 2,500 calories, compared with 2,000 in 1948. Daily protein intake increased from 1.5 to 2.2 ounces during that period. Taiwan is now self-supporting in most basic foods—rice, sweet potatoes, fruits, vegetables, and meats.

Average yields per acre of rice, sugarcane, peanuts, soybeans, pineapple, vegetables, and fruits from 1965 to 1968 have doubled, compared with the 1948 to 1952 averages. Rice, the staple food and most important crop, increased from 759,000 to 1.9 million acres planted during the years 1948 to 1968. Paddy production in 1968 totaled 3.3 million tons, with rice cultivation utilizing over 55 percent of the total area in crops and accounting for 97 percent of the total grain production.

Industrial growth

Progress in agricultural production has made possible the transfer of large amounts of capital and a large number of workers from agriculture to other economic sectors. This has contributed to growth in all parts of the economy.

Over the years, Taiwan has been following the usual path of other developed countries, shifting emphasis from agriculture to industry. The agricultural share in the gross national product (GNP) was 36 percent in 1952 and that of industry was only 18 percent. The situation was completely reversed by 1968; agriculture accounted for 23 percent and industry for 29 percent of total production. The agricultural share of

the GNP decreased to 21 percent in 1969, while that of industry increased to 32 percent. About 1,500 acres of farmland annually have been turned into manufacturing sites, transportation, irrigation drainage, and building sites in the last 14 years. However, much land is still tied up in agriculture, leaving relatively little for industry.

The overall industrial growth rate from 1952 to 1968 has averaged 14 percent annually, with private industry growing at the faster rate of 19 percent and government enterprise at 10 percent. Government enterprise in 1949 accounted for 72 percent of total industrial output, and private industry accounted for 28 percent. As a result of the public policy to promote private enterprise, their relative positions had changed to 70 percent private and 30 percent government by 1968.

From 1952 to 1968, Taiwan's total economy registered an average rate of growth of 9 percent. Of particular interest were the years 1963 to 1968, when the annual growth rate averaged 11 percent. GNP registered 9 percent growth again in 1969, surpassing the 7-percent target in Taiwan's fifth 4-year plan. Per capita income increased from \$110 in 1952 to \$170 in 1964; by 1968, it had reached \$245, and in 1969 it was \$258.

Road to success

Land reform and private and government incentives, as well as U.S. economic assistance, have been key factors in helping the people of Taiwan help themselves. Rural progress can be attributed to the results gained from introducing fertilizers, better seeds, new crops, water conservation, and pest and disease control.

In 1949, agricultural production was stimulated with the beginning of a national land redistribution program. The government bought large land holdings, then reapportioned and sold them to farmers who had previously been tenants, saddled with high rental rates and low acreage. This gave farmers the incentive and income to use fertilizers, better seeds, and more modern equipment.

The Government of the Republic of China has since stimulated agricultural growth through a series of measures. Among the most important are: (1) the support of sugar prices and guarantee of prices for tobacco, pineapple, jute, and bananas; (2) the improvement of marketing systems for export crops, such as bananas, oranges, pineapples, mushrooms, and asparagus; (3) the provision of an adequate supply of farm inputs, such as fertilizers, pesticides, farm equipment, and animal feed, through township farmers' associations; and (4) the supervision of agricultural credit to farmers.

The Government of China has also aided farm progress by joining with U.S. Government officials and farm experts to establish the Chinese and American Joint Commission on Rural Reconstruction (JCRR). Founded in 1948, the JCRR has played an extensive role in agricultural technology by providing extension programs, financial assistance, and research programs. The JCRR works through already existing Taiwanese agencies. These include agricultural colleges, government organizations, farmers' associations, and fishermen's and farm irrigation associations.

Farmers' associations and cooperatives

Farmers' associations in Taiwan were originally formed by the Japanese during the 19th century. In 1952, a farmers' association personnel training center was established in Tien-Mu, near Taipei, by the Provincial Farmers' Associations, and within 10 years, 79 training courses had been held in the center for a total of 10,000 persons. Today, there are 364 farmers' associations, 360 township associations, and about 25 country and city associations. About 4,000 monthly agricultural extension classes are attended by more than 600,000 farmers. Almost all farmers are members of the farmers' associations.

Farmers' associations have four functional divisions: (1) an economic section for marketing farm products and for purchasing farm supplies and consumption goods for sale to members; (2) a credit section for receiving deposits of savings and making loans to members; (3) an agricultural extension section for conducting advisory training services; and (4) a livestock insurance section to protect the livestock industry and control animal diseases.

There are six fruit marketing cooperatives in Taiwan, two specializing in marketing bananas and four in marketing citrus and other fruits and vegetables. These cooperatives also conduct some research and provide advisory services to farmers in producing and marketing agricultural commodities.

Fertilizer inputs

In 1949, Taiwan's chemical fertilizer production was only 46,000 tons; practically all its fertilizer had to be imported. By 1958, fertilizer production had developed to 252,000 tons, and in 1969 this capacity totaled over 900,000 tons. The consumption of fertilizer had increased from 153,000 tons in 1949 and 913,000 tons in 1968 to an estimated 1.22 million tons in 1969. Taiwan has 10 fertilizer factories in operation; and with total production exceeding domestic requirements, it is now exporting over 23 percent of its urea production. Imports of fertilizer decreased from 336,000 tons in 1963 to 158,000 tons in 1969. Taiwan and Japan signed a contract to import 300,000 tons of ammonium sulfate from Japan in 1968 and 1969. Fertilizer exports by value have been estimated at \$4 million in 1969.

The Taiwanese farmers now use about 212 pounds of fertilizer per acre—a rate exceeded in Asia only by Japan and one which ranks as high as those of some Western countries like the Netherlands, Belgium, and West Germany. About 77 percent of the fertilizer used in Taiwan has been for rice, 11 percent for sugarcane, and 12 percent for other crops. A fertilizer-rice barter system, between fertilizer manufacturers and farmers' organizations, has been in effect since 1949 when it first involved ammonium sulfate. In 1959, urea was added to the barter system. For rice, the farmers exchange a ratio of about 1.5 tons of rough rice for 1 ton of urea and 0.83 tons of rough rice for 1 ton of ammonium sulfate. For other crops they use cash or credit.

Mechanization stressed

Although much farming is by hand and with draft animals—mainly water buffaloes—mechanized farming is becoming more and more important. Milling is now usually mechanized, and farmers are showing interest in transplanting machinery. Some 23,000 power tiller tractors are now on farms, providing power for tillage operation, pesticide application, and

threshing. However, at \$1,500 each, tiller tractors are far beyond the purchasing power of most rice farmers. In an effort to reduce labor and encourage the use of power machinery, the Government of Taiwan and agricultural extension workers are trying to organize groups of 30 to 40 farm families for the purpose of buying and using farm machinery. The farmers would continue to own their land, but would exchange labor with their neighbors as needed.

Export expansion

Until 1965, sugarcane had been the No. 1 export crop for over 250 years. Because of increased marketing difficulties abroad and low international sugar prices in recent years, as well as the greater profitability of competitive crops, sugarcane production decreased from 10 million tons in 1965 to 8 million tons in 1968. Sugar and rice made up 81 percent of Taiwan's agricultural exports from 1951 to 1967. In 1968, however, sugar exports declined from 61 percent to 18 percent of the total, and rice exports declined from 20 percent to 5 percent. Planted sugar acreage dropped from 277,000 acres to 240,000 acres, freeing land for more competitive crops such as mushrooms, asparagus, pineapples, vegetables, and sweet potatoes.

The diversification of agricultural exports has accounted for an increase from two major products in 1952 to nine in recent years. The major agricultural products for export now include (in addition to sugar and rice) canned mushrooms, pineapples, asparagus, tea, citronella oil, and fresh fruits and vegetables. In 1968, the nine major items accounted for over 91 percent of total agricultural exports.

Processed food exports

Food processing is Taiwan's fourth largest industry and is concentrated primarily in sugar refining and pineapple, mushroom, asparagus, and tea processing. There are more than 220 food canneries in Taiwan, as well as 11 can manufacturing plants and two tinplate galvanizing factories.

Of the processed foods, pineapples, mushrooms, and asparagus have shown the most remarkable growth as export items. Exports of canned pineapples were valued at only \$7.5 million in 1958, but by 1968 that value had jumped to \$17.2 million. In 1969, their export value was \$18 million. Exports of canned mushrooms and asparagus did not begin until 1961 and 1963, respectively; but by 1968 their combined export value had reached \$54.4 million. It has been estimated at \$60 million in 1969.

Taiwan is the world's second largest mushroom producer after the United States. Its production of 52,400 tons in 1968 equaled one quarter of the world's output. Exports of mushrooms rose from \$1.6 million in 1961 to \$30.7 million in 1968. The 1968 export volume of 40,768 tons represented 70 percent of the total world mushroom export volume.

Asparagus production has shown the highest growth of all of Taiwan's canned products, increasing from fewer than 500 tons in 1963 to 51,583 tons in 1968. The \$4,000 value of asparagus exports in 1963 had climbed to \$33.1 million by 1968. It has been estimated at over \$40 million in 1969. Major customers for Taiwan's canned asparagus in 1968 were the Netherlands and West Germany, which together accounted for 89 percent of the total value of canned asparagus exported.

The processing of tea is largely for export. Tea exports earned \$11.2 million in 1968, up 65 percent from 1958. Green

tea represents over 50 percent of Taiwan's total tea exports.

Quick frozen foods and prepackaged dinners are also being developed for export markets, but they are as yet of only minor importance. Canned bamboo shoots, water chestnuts, citrus fruits, meat, and sweet potatoes are currently becoming promising export products.

Taiwan's success in exporting canned foods can be attributed to its large supply of low-cost farm labor and its low cannery costs, which enable it to maintain a very competitive price structure in the export market.

Chief markets

Japan, the United States, West Germany, South Vietnam, and South Korea are important foreign buyers of Taiwan's agricultural products. The major items exported to the United States are textiles, electronic components, electrical apparatus, plywood, and agricultural commodities. Principal farm products moving to the United States are sugar, canned mushrooms, pineapples, and asparagus. Total exports to the United States have increased from \$5 million in 1954 to \$376 million in 1969. Japan is Taiwan's chief market for agricultural exports, buying a total of \$91 million in 1968 as compared with \$84 million in 1967. The major agricultural exports to Japan include sugar, fresh bananas and other fresh fruits, and canned pineapples, asparagus, and mushrooms. Rice also was a major export to Japan up to 1969.

Taiwan's exports of canned pineapples, mushrooms, and asparagus have both dipped into U.S. domestic markets and competed with U.S. exports of these commodities.

Canada traditionally has been the major market for U.S. exports of canned mushrooms. In 1960, canned mushrooms

imported by Canada totaled 1,497 tons, of which the United States provided 46 percent and Taiwan almost zero. By 1968, Canada's total canned mushroom imports had increased to 3,493 tons, with Taiwan representing about 92 percent and the United States only 2 percent.

The major U.S. markets for canned asparagus and pineapples have also been hit by Taiwan's exports. For example, U.S. exports of canned asparagus to West Germany, the leading market, accounted for 84 percent of West German imports of that commodity in 1961. None were imported from Taiwan in that year. By 1968, however, Taiwan held 80 percent of that market and the United States only about 7 percent. Taiwan is also now the leading supplier of canned pineapples to West Germany, and it is supplying a growing volume of canned pineapples, mushrooms, and asparagus to other European countries.

Owing to competition from neighboring countries, further increases of equal magnitude in Taiwan's processed food exports seem doubtful. Recognizing this, the Government of Taiwan has reduced the surcharge on canned mushrooms and asparagus exports from 5 percent to 3 percent, effective January 1, 1970.

U.S. trade with Taiwan

U.S. trade with Taiwan over the past 20 years falls into two distinct periods: 1949 to 1965 and 1966 to the present. The period from 1949 to 1965 was characterized primarily by U.S. economic assistance. U.S. aid, including military support, totaled \$1.5 billion from 1951 to 1965—amounting to an average of about \$100 million annually. Taiwan received a total of \$389 million worth of surplus farm commodities

Below left, a Taiwanese woman displays pineapple crop. Upper right, mushrooms are washed and sorted at a canning factory in southern Taiwan. Bottom right, young girls pick oranges in central Taiwan.



from the United States under Public Law 480 programs during this period. The major commodities imported under these programs were wheat, raw cotton, soybeans, leaf tobacco, dairy products, and wheat flour.

By 1965, Taiwan had become an example of a country which, assisted in the early stages of development, had largely outgrown the need for aid. In that year, U.S. economic aid was drastically reduced, and by 1969, raw cotton was the only significant commodity shipped to Taiwan under P.L. 480.

Total exports to Taiwan from the United States, mostly nonagricultural items, reached \$393 million in 1969, compared with \$338 million in 1968 and \$129 million in 1962. The U.S. share of Taiwan's total imports, however, had declined from a high of 52 percent in 1954 to a low of 30 percent in 1968, while Japan's share of Taiwan's imports had risen to 41 percent by 1968.

Most of Taiwan's farm imports come from the United States, and most are now cash purchases. In 1968, the United States provided \$117 million worth of farm goods, or 58 percent. This compares with \$111 million, or 61 percent, in 1967

SELECTED AGRICULTURAL EXPORTS OF TAIWAN

Commodity and destination	Average 1960-62	1966	1967	1968
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Rice	6,867	29,717	20,006	12,390
Japan	6,781	23,798	8,927	11,275
Wheat flour	240	1,046	737	469
Hong Kong	203	654	393	293
Bananas	8,267	48,453	51,953	46,539
Japan	7,049	47,764	50,936	45,280
Pineapple, canned	9,400	17,797	17,535	17,224
United States	2,957	8,591	8,458	8,678
West Germany	2,205	3,147	3,687	3,669
Netherlands	869	1,481	1,160	588
Japan	190	2,392	2,598	2,792
Canada	247	169	344	145
Mushrooms, canned	3,233	25,076	30,108	29,028
United States	1,320	7,593	9,386	10,913
West Germany	1,256	12,799	13,899	12,306
Netherlands	177	1,944	2,056	1,914
Japan	10	133	128	396
Canada	143	495	1,070	2,030
Asparagus, canned	—	13,359	22,700	25,340
United States	—	860	704	364
West Germany	—	8,287	14,637	20,419
Netherlands	—	2,747	3,848	2,016
Japan	—	110	139	20
Canada	—	80	538	88
Sugar	58,067	52,708	39,703	45,180
United States	7,897	8,324	8,933	9,827
Japan	30,889	15,700	3,314	8,116
Morocco	—	8,304	6,254	—
South Korea	328	2,300	7,610	10,035
Tea	7,704	9,929	10,775	11,274
United States	1,582	1,394	1,428	1,415
Morocco	1,660	1,386	2,848	3,754
Britain	499	549	292	415
Other agricultural exports	11,855	35,795	43,083	54,556
Total agricultural exports	105,633	233,800	236,600	242,000
Total exports ¹	207,667	569,426	649,893	776,138

¹ Including banks' exchange settlements.

The Trade of China and Taiwan Statistical Data Book. The United Nations Printouts.

and \$76 million, or 57 percent, in 1966. The principal agricultural commodities imported from the United States in 1968 were wheat, 439,000 tons; soybeans, 376,000 tons; and raw cotton, 80,000 tons. Agricultural imports from the United States in 1969 totaled \$97 million, or 17 percent below the 1968 level. The chief items imported in 1969 were soybeans, 467,000 tons; wheat, 356,000 tons; and raw cotton, 47,000 tons.

Other agricultural imports from the United States are tallow, corn, nonfat dry milk, tobacco, and vegetable oils.

Outlook for imports

In 1969, total imports rose to the equivalent of 25 percent of Taiwan's GNP. The following estimated agricultural imports in 1969 were: Wheat, 575,000 tons, compared with 449,000 tons in 1968; soybeans, 610,000 tons, compared with 405,000 tons in 1968; raw cotton, 87,000 tons, compared with the same amount in 1968; and corn, 400,000 tons, compared with 365,000 tons in 1968.

Principal agricultural items on Taiwan's 1970 shopping list are wheat, soybeans, raw cotton, and corn. The expanding hog and cattle industries, together with the recently developed commercial broiler and egg industries, indicate a larger market for imported feedgrains (estimated at over 1.1 million tons) in 1970. The major items in that category are soybeans, corn, bran, and fishmeal.

SELECTED AGRICULTURAL IMPORTS OF TAIWAN

Commodity and country of origin	Average 1960-62	1966	1967	1968
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Wheat	19,640	21,077	21,883	32,210
United States	19,170	16,779	19,609	29,630
Australia	302	2,284	1,943	1,452
Canada	168	70	329	677
Corn	610	4,203	8,927	21,106
United States	15	52	28	54
Thailand	465	2,929	8,072	19,861
Soybeans	12,348	19,810	43,284	44,315
United States	12,162	19,606	42,208	44,238
Beans and peas	700	3,461	2,574	2,374
United States	7	106	475	338
Thailand	446	2,375	1,247	1,011
Milk powder	2,762	5,910	6,478	8,029
United States	276	342	364	362
Netherlands	1,135	688	559	485
Japan	998	2,372	2,256	2,752
Australia	215	1,480	1,843	2,679
Leaf tobacco	2,800	4,471	11,138	16,930
United States	2,694	4,199	10,264	137
South Korea	—	111	637	14,143
Raw cotton	25,802	38,259	44,560	45,643
United States	24,426	24,614	36,527	32,300
CAR ¹	114	4,188	2,407	4,572
Brazil	208	1,184	1,045	891
Mexico	474	5,636	2,421	4,299
Other agricultural imports	21,805	35,509	44,556	30,393
Total agricultural imports	86,467	132,700	183,400	201,000
Total imports ²	301,269	601,141	847,497	1,026,000

¹ Central American Republics. ² Including banks' exchange settlements, U.S. aid, and others.

The Trade of China and Taiwan Statistical Data Book. The United Nations Printouts.

Italy's increasingly prosperous population is creating greater demand for both indigenous and imported farm products—especially high-quality foodstuffs such as meat, durum wheat, and canned goods.

Italian Economy Pressures 1969 Farm Output

The vigorous growth of Italy's national economy (1969 gross national product was between 5.3 and 5.5 percent greater than in 1968) resulted in higher Italian incomes in 1969 and an increased demand for foodstuffs—especially relatively expensive items such as canned fruits and vegetables, meats, and wines.

Large demand helped to push up farm prices in 1969 which, in turn, caused a marked increase in farm income, farm labor wages, and the general standard of living of the rural population.

The picture is not as favorable as it seems at first glance, however. The 3.5-percent gain in gross agricultural production value in 1969 came mostly from higher farm prices and much less from increased production. Higher farm prices together with nearly stable production plus growing demand have already equaled consumer food prices that rose between 3 and 4 percent in 1969 and greater food imports from other countries. Both many sectors of agriculture and the agricultural marketing system continue to be inefficient and share some of the blame for the rising Italian cost of living.

However, domestic and EC agricultural policies have in some respects favorably contributed to the Italian agricultural economy.

Some of the improvements that have been made in the past few years in agricultural production stem from: higher farm prices and price supports implemented by Common Market regulations, increased utilization of fertilizers, more and better irrigation, greater use of farm machinery (especially small machines such as motor-cultivators and motor-mowers), modernization and fuller use of the capacity of the food-processing industry, and government technical assistance and higher investments in agriculture in an effort to aid the small farmer.

Some improvements that still are much needed are: easy private-business credit arrangements for farmers and legislation facilitating selling or changing the ownership of small land holdings, so that land can be consolidated into larger farms that can benefit from modern technology and mechanization.

Output in 1969

Deciduous fruit production for the year was adversely affected by persistent rains during the pollination season. Supplies of peaches, apricots, apples, and cherries were all less than in 1968 although pear availability was up. Because of scarcity prices were up, except those of pears, for which a surplus market situation developed. About 50,000 metric tons of pears were withdrawn from the market and delivered to distilleries for processing into alcohol.

Output of *tree nuts* was cut in 1969 by rains and late frost in the spring. Almond production was 50 percent less than in 1968 and filbert output was down 44 percent from 1968. Nuts were of good quality, however, and prices were up. Walnuts, which had favorable 1969 growing conditions, had production 27 percent greater than in 1968, and higher farm

prices for walnuts also boosted farm walnut income.

Citrus production in 1969 was about the same as in 1968 for oranges, about 10 percent less for lemons, and about 20 percent less for tangerines. Although prices were good for lemons, returns from oranges and tangerines continued to be weak. Exports of oranges and lemons were up during 1969.

Outputs of *grapes of all types* and *wine* were both up in 1969 compared to 1968. Total grape production is estimated at 11.5 million metric tons compared with 10.3 million tons for 1968. Because the quality of the grapes was good and early grapes were substituted for scarce deciduous fruits, farm grape prices were higher than they were a year ago. Wine production, which has been generally rising for the past few years, is estimated at 2 billion gallons in 1969 compared with 1.77 billion gallons in 1968. The quality of the 1969 wine was generally good, so prices have been favorable.

Italy ranks first among the world's wine producers and second in wine consumption. Its position will probably be strengthened by further increases in grape output as many new and modern vineyards established a few years ago come into production.

Olives had fairly good growing conditions in Italy in 1969 and the production of olive oil is expected to be higher than that in 1968. Farmers received good prices for olives for oil because of EC regulations, although retail prices for olive oil were down slightly owing to the government policy of encouraging domestic consumption.

Italy's olive acreage is expected to remain around its present extent for the next few years, and production of pressure olive oil will probably range between 350,000 and 430,000 metric tons per year. No matter what domestic production of olive oil may be, Italy will need imports to meet its consumption demand.

Vegetable production in 1969 was better than that of the previous year, although acreage was about the same except for tomato acreage, which increased. Tomato output was about 3.7 million metric tons, or 14 percent greater than the poor 1968 crop. Static acreage for other vegetables than tomatoes is the result of shrinking availability of hand labor and limited sources of additional irrigation.

Tobacco, in spite of favorable prices, is another crop with declining acreage—10 percent less in 1969 than in 1968. Total production, however, about 76,000 metric tons, was higher than the previous year because of advantageous weather. Shortage of farm labor is encouraging the conversion of tobacco area to high-yielding, easily mechanized crops such as hybrid corn.

Sugarbeet production for 1969 is estimated at about 11 percent less than in 1968, or about 10.2 million metric tons. In spite of reduced output, total refined sugar is expected to be 1.25 million metric tons, or 5 percent greater than the previous year. More sugarbeets are being raised in southern Italy, where the climate is favorable to higher yields.

Although total *wheat* production in 1969 was about the

same as in 1968, the proportions of the types raised underwent a marked shift. Output of soft wheat fell 8 percent because of decreased acreage and poor weather; durum wheat outturn rose 27 percent and was the highest since World War II because of larger area planted, improved seed, greater fertilizer use, and modernized farming techniques.

The incentive for the durum wheat jump was high support prices (currently about \$35 per ton) in connection with the Italian law requiring that all pasta products be made from durum wheat semolina only.

Soft wheat acreage is expected to decline further in 1970, and durum wheat area will probably continue to expand in south-central Italy.

Rice production, paddy basis, reached a record level of 850,000 metric tons in 1969 and was greater than the previous year's output by 33 percent. The outstanding crop was due to greater rice acreage, use of high-yielding seed, and improvement of cultivation techniques. Current domestic rice consumption ranges from 400,000 to 450,000 metric tons per year; the remainder is absorbed by other Common Market countries at favorable prices.

Corn output in 1969 was about 4.5 million metric tons—Italy's first bumper crop. This record crop was achieved on about the same corn acreage as was planted the year before (about 2.4 million acres) and was due to good weather, greater use of hybrid seed, and more intensive care because of the incentive created by higher EC corn prices.

Land planted to corn for silage was probably up in 1969, and most of the output will be used for beef production. Most of the grain corn harvested goes for the same use.

Beef and veal production in 1969 was approximately 800,000 metric tons, carcass weight—or about the same as in 1968. About 4.2 million head of cattle were slaughtered. Nearly 50 percent of the total beef and veal production came from imported live animals (1.8 million calves and feeder cattle and 500,000 finished cattle).

Italy's beef cattle industry is gradually expanding with the development of the feedlot system and the practice of raising animals to greater weights before slaughter. A limiting factor to the immediate future of Italy's beef industry is the increasing scarcity and high price of calves in other EC countries and in Eastern Europe. Italy depends heavily upon live animal imports, but calves and young stock are being more and more retained in former calf-exporting countries to satisfy local demand for veal and beef.

Pork output in 1969 was approximately 525,000 metric tons, carcass weight, and about the same as in 1968. Nearly all of Italy's 1969 pork slaughter (around 5.1 million hogs) was of domestic hog production; only 100,000 animals were imported during the year.

Production and exports of pork products (hams, salamis, Italian sausages) gradually resumed normal levels in Italy in 1969 as EC countries and other European markets lifted a previous ban on imports of Italian pork products. The ban was because of an outbreak of African swine fever.

Mutton and lamb production were approximately 43,000 metric tons of meat in 1969, of which about 17 percent came from imported animals.

Poultry meat output during 1969 increased about 2 percent over that of 1968 while prices remained stable. Italy is self-sufficient in poultry production, and poultry meat is second only to beef among types of meat consumed.

Dairy production was nearly the same in 1969 as in 1968 both for fresh milk and milk products. Total milk output for 1969 is estimated at 9.8 million metric tons. About 41 percent of milk went for immediate human consumption while the remainder was processed into butter and cheese. Much of the cheese is consumed domestically, but considerable amounts are also exported.

Italy's total dairy herd includes 3.4 million milking cows, 43,000 dairy buffaloes, and large numbers of milch goats and sheep. Nearly 75 percent of the cow's milk is produced in northern Italy; most of the sheep's and goat's milk (about 500,000 metric tons in 1969) originates in southern Italy and the islands of Sicily and Sardinia. Most of the sheep's and goat's milk is used for cheese production.

Italy continues to be a net importer of dairy products—both fresh whole milk and cheeses.

Agricultural trade and imports of U.S. goods

Italy's total agricultural trade in 1969 showed a marked increase, most of which was due to greater imports. Imports are now 76 percent of total agricultural trade, and a large share are bulk items such as feedgrains and oilseeds, of which the United States is an important supplier.

Italy's agricultural exports for the first 7 months of 1969 were up for most major commodities. Tomatoes were an exception because of the poor 1968 crop, and value of shipments was down 15 percent. Value of fresh vegetable exports was up 29 percent, and that of fresh fruits, except citrus, climbed 17 percent. Citrus exports increased 20 percent in value over the comparable 1968 period. Wine exports showed a value gain of 13 percent.

Substantial shifts took place in imports of farm goods to Italy in the first 7 months of 1969. Wheat imports were 35 percent greater in value than for the same period in 1968 while imports of other grains, particularly feedgrains, declined nearly 11 percent. Another marked jump was in live cattle imports, which increased 38 percent in value. Value of raw cotton imports climbed 12 percent, and that of oilseeds 4 percent.

The U.S. value share of total Italian agricultural imports for the first 7 months of 1969 dipped 11 percent in comparison with the same period in 1968, chiefly because of the 40-percent drop in value of sales of U.S. feedgrains. Another sharp decline was in sales value of U.S. cotton—down 71 percent. A counterbalance, however, was an increase of 240 percent in value of U.S. wheat sales. Other U.S. commodities that had favorable trends during the period were oilseeds (up 11 percent), oilcake and meal (up 19 percent), and raw tobacco (up 129 percent).

Wheat sales were up sharply because of Italian imports of U.S. durum wheat needed to make traditional pasta products, now made entirely from durum wheat. Oilseed gains were probably due to the increased demand for vegetable oils other than olive oil. The upswing in U.S. tobacco sales stems from greater consumer demand for quality cigarettes, which in Italy contain as much as 40 percent U.S. tobaccos.

Sales of both cotton and feedgrains suffered from the U.S. dock strike in 1969 and higher U.S. prices. In addition, cotton sales suffered from a recession in the Italian textile industry. Increased use of wheat as livestock feed and high import duties on U.S. corn also lowered feedgrain sales.

—Based on dispatch from A. PAUL DANYLUK
Assistant U.S. Agricultural Attaché, Rome

Japan's Livestock, Meat Production, and Import Trends

Consumers eager for more and better red meats and meat products are encouraging selective expansion in Japan's livestock industries. Numbers of beef cattle, dairy cattle, and hogs continued to increase in 1969 on Japan's farms because of good prices for beef, veal, dairy products, and pork. Numbers of sheep, goats, and horses, however, slid as farmers preferred to raise animals from which they could reap greater profit. Nearly all sheep, goat, and horse meat is used in the manufacture of processed meat products.

In the past few years rates of increase in animal numbers have varied considerably for different types of livestock.

The size of Japan's dairy herd has doubled over the past decade, and large numbers of dairy cows resulted in surplus milk production in 1969. The dairy herd, however, continues to increase. Unofficial estimates of dairy cattle numbers were 1,750,000 head as of February 1, 1970, compared with 1,663,000 head a year earlier.

A considerable number of dairy cattle, however, are being utilized as a source of beef and veal. It is roughly estimated that dairy animals contributed 45 percent of the total 1969 beef and veal production.

Beef cattle numbers have not increased as rapidly nor as steadily in the past decade as have dairy cattle numbers, and the current herd is actually smaller than in 1960. However, the beef herd has expanded markedly from its low population in the mid-1960's and as of February 1, 1970, is estimated at 1,900,000 head compared with 1,666,000 for 2 years earlier.

Hog numbers have increased dramatically in the past 5 years in Japan in spite of marked short-term fluctuations in hog populations. An indication of total growth is that consumption of pork in Japan has tripled over the past 10 years, and most of the pork has been domestically produced.

During 1969 Japan's hog population was recovering from one of its cyclic dips and as of November 1, 1969, was 15 percent greater than on the same date a year ago. An indication of what can be expected of hog numbers in 1970 is that at the end of 1969 brood sow numbers were 22 percent greater than at the end of 1968.

In spite of increases in some categories of livestock, red meat demand in Japan is steadily outpacing production. The difference is made up of imports, which were 24 percent of Japan's total red meat supply in 1969 compared with 2 percent 10 years earlier. Heavy reliance on imports will probably continue and may even increase as per capita income and standards of living are rising much more rapidly than Japan's ability to produce red meat.

Beef and veal production in Japan shot up to 215,000 metric tons in 1969—an increase of 34 percent over 1968 output. Heavy slaughter of Holstein steers and old dairy cows during the last half of 1969 when beef prices were high contributed to the jump.

At the same time, beef imports rose 37 percent. Australia supplied about 80 percent, but imports of U.S. high-quality beef more than doubled from the 1968 level and are expected to increase further in 1970. Total 1970 beef imports by Japan, however, are expected to level off at about the 1969 quantity.

Total hog slaughter in 1969 was slightly lower than in 1968, and so was pork production within Japan, in spite of the steep climb in hog numbers. Because of high pork prices in 1969, farmers tended to retain many animals for breeding

and future production. Pork production was 505,000 metric tons in 1969 compared with 520,242 tons in 1968.

To take the edge off climbing consumer pork prices, the Japanese Government authorized record pork imports during 1969—42,851 tons, of which 68 percent came from the United States. Because of increased hog numbers in 1969, however, deliveries for slaughter in 1970 are estimated as apt to be 12 to 15 percent greater than in 1969. Pork imports will probably be substantially reduced.

Although domestic production of mutton and lamb is falling, consumption within Japan is growing rapidly because of increasing imports from Australia and New Zealand. In 1959 mutton, lamb, and goat meat were less than 2 percent of Japan's annual red meat supply; in 1969 they were a little more than 13.5 percent of total red meat consumed. Japan's mutton and lamb imports in 1969 (129,124 metric tons) were 18 percent greater than in 1968, and a comparable expansion in imports is expected for 1970.

Two types of animal products of which Japan is importing increasing quantities are tallow and hides and skins.

Incoming shipments of hides and skins were up 17 percent in 1969 and reached a record 215,332 metric tons. Purchases from the United States were 76 percent of the total value of imports. Imports in 1970 may be even greater than in 1969, and prospects for U.S. sales are good.

Japan's tallow imports also reached a record level in 1969 and were 267,213 tons. Purchases from the United States were nearly three-quarters in value of incoming shipments. Because of strong continued demand by the soap and other industries in Japan and growing use by mixed feed plants, tallow may have increased importance in 1970 and purchases may reach 300,000 tons.

—Based on dispatch from ELMER W. HALLOWELL
U.S. Agricultural Attaché, Tokyo

Barter News Notes

In response to a recommendation made by U.S. wheat exporters, USDA recently revised the barter contract bid form to enable prospective contractors for barter payment arrangements to submit their offers on a new "wheat included" contract form.

In another action, the barter commodity-country designation lists have been changed to place under "B" classification feedgrains (corn, grain sorghum, barley, and oats) for export to Venezuela and wheat and wheat flour for export to Algeria. Both countries were formerly listed in the "A" category for the available commodities; this category requires prior approval from USDA in order to make barter shipments. There are no such restrictions under the "B" category. It is expected that both of these actions will serve to increase exports of U.S. agricultural commodities via the barter program.

During the first half of fiscal year 1970 approximately \$230 million worth of agricultural commodities were exported under barter contracts, as compared with \$160 million during the first half of fiscal year 1969. Major commodities in dollar value exports for July through December 1969 were tobacco, wheat and flour, and feedgrains followed by cotton, tallow and grease, vegetable oils, and rice.

Nepal Diversifies Farm Production and Trade



Nepalese farmer unsheaves wheat before threshing.

By JOHN B. PARKER, JR.
*Foreign Regional Analysis Division
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Until the past few years Nepal's agriculture consisted chiefly of rice, jute, and subsistence crop production. Exports were mostly rice and raw jute. The main trading partner was India.

Now, as a result of programs to diversify Nepal's agriculture and trade, the patterns of both are changing.

Although rice is still the big crop, other crops are becoming relatively more important and some new ones are being introduced—into the country or into parts of the country where they have not been grown previously. Some products—jute, for example—are being processed before export. And other trading partners are being found.

Nepal's foreign exchange holdings have improved significantly in the past 2 years. A program to push exports to convertible currency countries has been successful. Exporters are allowed by the government to use half of the foreign exchange they earn from exports to import consumer goods. Because of this policy, new automobiles, electrical appliances, and quality consumer goods are fairly plentiful in Nepal. Japan, West Germany, and the United States have become the major convertible currency markets for Nepal's exports.

Urbanization in Nepal has become significant only in the last decade. Now, about 10 percent of Nepal's 11 million people live in urban areas. New roads built by aid from the United States, India, and Mainland China enable the people in mountainous areas to exchange their livestock, wool, and potatoes for the grains and vegetables from the warmer Terai—the fertile low plain bordering on India.

In the Katmandu Valley, the tourist trade is increasing about 50 percent a year. Many families in this area who formerly produced some or all of their own food now buy it all.

Nepal's farming possibilities

Studies conducted by agriculturists and technicians from the United States, Europe, and India indicate that Nepal has an excellent assortment of ecological zones for the development of a diversified agriculture.

Nepal, with about the same area and population as Illinois, has great contrasts in climate from one part of the country to

another caused by variations in elevation. Altitudes range from 100 feet above sea level along the border with India in the south to 29,002-foot Mt. Everest on the Tibetan border.

Only about 12 percent of the country's 54,362 square miles is used as cropland. Rice is planted on over half of this. Corn, millets, wheat, and potatoes are other major food crops. Jute, sugar, and oilseeds are grown as cash crops in areas irrigated by water from the Kosi Dam and in the Birathagar vicinity.

Diversification gains

Examples of recent crop diversification include the marked gain in wheat production in Katmandu Valley and greater potato production in the hill areas south of Mount Everest. Tea plantations have been started in eastern Nepal—a joint effort of tea planters from Darjeeling, India, and businessmen from Nepal's capital city of Katmandu. Since the opening of a cannery near Janakpur, pineapple production has increased significantly.

About 300,000 apple tree plantings have been distributed in hill areas between Jumla and Katmandu. Commercial production of mandarin oranges in the Pokhara Valley has expanded enough to provide supplies for towns at higher elevations where it is too cold to grow citrus. Peanut production has doubled in the past 7 years.

NEPAL: PRODUCTION OF SELECTED FARM COMMODITIES, 1964-69

Commodity	1964	1965	1966	1967	1968	1969
	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons	1,000 metric tons
Rice, paddy ...	2,201	2,207	2,007	2,217	2,351	2,475
Wheat	139	152	175	187	216	227
Corn	854	856	824	875	928	965
Millet	63	120	120	111	120	118
Oilseeds	71	51	51	56	56	61
Jute	39	39	39	40	43	45
Sugarcane	203	126	228	147	167	222
Potatoes ¹	185	210	235	255	270	290
Vegetables ¹	120	130	125	135	160	180
Fruits ¹	48	55	65	60	65	75
Tobacco	8	9	5	5	7	8

¹ Estimates.

Land Reform, Agriculture and Food Ministry, Katmandu, and Department of Statistics, Katmandu.

Also, Nepal is beginning to feel the impact of its own Green Revolution. The successful introduction of high-yielding varieties of rice, corn, and wheat have contributed to recent gains in farm production evident in the accompanying table showing output of leading commodities.

Current diversification plans include the introduction of wheat, oilseeds, fruits, and vegetables into areas where they have not been grown commercially.

Research is underway to develop new crops for areas where farmers still rely on subsistence crops. New programs are underway to persuade hill farmers to plant crops to help supply tourist needs on the sharp terraced slopes where they now grow only millets, corn, and pumpkins for their own use. Plantings of peaches, almonds, strawberries, and pears on terraces near Katmandu have been successful.

Crop production

Rice.—Rice is grown on about half of the cropland in Nepal. Many farmers earn \$80 to \$100 an acre from this crop. About half of the rice crop enters commercial channels.

Most rice land is located in the Terai. The 1969 harvest of paddy rice was over 2.3 million tons. High-yielding varieties were planted on about 5 percent of the 2.9 million acres harvested in 1969. Excellent yields were obtained from IRRI-8 in irrigated fields of the Kosi River Project in southeastern Nepal.

Farmers have also had success in growing two new Indian varieties—Jaya and Padma. They have had some disease problems with Taichung Native I, a variety from Taiwan.

Nepal sent about 35,000 tons of rice to India each year in the late 1960's. Most of the deliveries were made in small loads, often by ox-drawn wagons or by trucks. Contributing to this extensive border trade were the many small farm roads that connected the two countries, a common language, and the use of the same currency (until 1967 the Indian rupee was the most common currency in use in southern Nepal).

In 1969, India did not require as much rice from Nepal as in earlier years because of higher production in its States of Bihar and West Bengal. Some of Nepal's rice went to Mainland China in 1969, over a new road connecting Katmandu with Tibet. Nepalese merchants are exploring the possibilities of exporting rice to new markets in southeast Asia and the Middle East.

Jute and sugar.—These two major cash crops are grown in areas along the border with India. Most of the sugar is produced in areas adjacent to Uttar Pradesh and Bihar. Jute is produced in southeastern Nepal. The manufacture of jute products now takes most of the farm supplies of raw jute.

Exports of jute and jute products to world markets other than India increased from a value of about \$1 million in 1966 to over \$10 million in 1968.

Wheat.—Between 1964 and 1969 wheat production in Nepal almost doubled, rising from 139,000 tons to 227,000 tons. About 388,000 acres of the wheat harvested in 1969—34 percent of the total—was planted in the new high-yielding varieties. Many farmers received free seed of wheat of Mexican varieties from the research station near Katmandu.

Wheat varieties popular in the middle hills include Lerma 52 and Pictic 62. Varieties that have done well in the Terai include Lerma Rojo and S227, a white wheat. The increase in wheat production in the Terai has enabled Nepal to export some wheat to the Indian States of West Bengal and Bihar.

However, India sends wheat to the western hill areas of Nepal and wheat flour to Nepalese urban areas.

Corn.—Production increased about 13 percent from 1964 to 1969. Over 20,000 acres—2 percent of the total—were planted to the new varieties in 1969. Larger shipments to Nepal of American hybrid corn seed are anticipated in the future.

Tobacco.—Recent tobacco production is an example of an agricultural diversification plan that has not worked. Although tobacco production has increased in the Janakpur area, the quality of flue-cured tobacco grown there has not been satisfactory to the managers of the new cigarette factory in Janakpur; the factory now imports about 2,000 tons of tobacco annually from India and the United States. Because of the factory's expanding output, imports of leaf tobacco may continue to rise even if the quality of Nepalese tobacco improves.

Many Nepalese are shifting from bidis (a kind of homemade cigar) and other traditional tobacco products made from dark tobacco to locally manufactured cigarettes.

Other crops.—Vegetable production in the Katmandu Valley is expanding rapidly, partly because of technical assistance given to the growers through foreign aid. In the past 5 years, production of potatoes, cauliflower, carrots, radishes, and green beans probably has doubled. Demand for vegetables has risen with gains in per capita income in the country.

Demand for meat and eggs created by the new flood of tourists has prompted farmers to establish cooperative poultry operations on a large scale. More farmers are growing pigs for sale; salted ham and bacon are processed in Nepal. Deliveries to urban markets of sheep for mutton are increasing.

The number of both pigs and chickens is expected to increase markedly in the next few years. Shipments of U.S. baby chicks and improved breeds of swine from the United States to Nepal are likely to increase.

U.S. trade

Nepal's policy of trade diversification and liberalization could open the door to larger purchases of American farm commodities. Until recently the lack of purchasing power of the average Nepalese and transportation difficulties have limited such trade. Tobacco, wheat flour, and processed foods account for most U.S. exports to Nepal.

The biscuit factory near Katmandu is expanding, and imports of more American wheat flour are urgently needed there. The tourist hotels are importing more dairy products, canned foods, and beverages. Imports of these items from Japan and Scandinavian countries are increasing faster than those from the United States.

Nepalese purchases of \$1 million worth of American agricultural commodities and farm supplies are a possibility in 1970. In the late 1960's such imports averaged about \$100,000. U.S. products that have the best prospects for increased sales to Nepal are frozen chicken and turkey, choice beef, canned food, and beverages for the tourist hotels. A modest expansion in exports of U.S. wheat flour, tobacco, vegetable oils, oilseeds, and flavorings could also be realized. American pesticides and fertilizer are needed by Nepal's grain farmers.

Nepal's exports of tea, carpets, and handicrafts to the United States as well as Europe are scheduled to increase in the next few years. Its exports of jute products to the United States in 1968 reached \$1 million, and shipments of bristles exceeded \$500,000.



U.S. pavilion at Osaka

U.S. Foods at Expo '70

Eating at Expo—"American Style"

One of the unique features of Japan's Expo '70 is the variety of restaurants where diners can switch from their traditional diets to exotic cuisine from all over the world. High on the popularity list are restaurants which serve U.S. poultry and beef, cooked and served "American style." These restaurants, located in the American Park, are operated by a Japanese chain, the Royal Foods Corporation, in conjunction with several U.S. firms.

Hungry Expo-goers are packing the Texas-type "Steakhouse," which features U.S. choice 8-ounce New York cut steaks in a dinner which includes a baked potato, salad, roll, and beverage. The steaks arrive frozen and are slowly thawed over a 4-day period so as to retain their natural juices and tenderness.

Business is so good that on a recent Saturday over 1,100 steak dinners were sold.

Turkey breasts headline the Howard Johnson menu—the first time that this item has been included as a regular on a menu in a Japanese restaurant—while chicken thighs and breasts are fast-moving dishes in several cafeterias.

Lunchtime at Osaka finds many sightseers enjoying a picnic—complete with a box lunch from the Kentucky Fried Chicken carryout. A tally of one day's sales showed that 1,800 boxes had been purchased. To assure that the poultry is really prepared in the American fashion, the Tokyo office of the Institute of American Poultry Industries (IAPI) conducted cooking seminars for Royal Foods Chefs, advising them on everything from menu planning to cooking techniques.



Above, IAPI chef demonstrates preparation of chicken "U.S. style." Below, visitors crowd around the popular almond exhibit.



Below, Secretary Hardin presents champ steer to Japanese Ambassador Shimoda.

California Almonds Bloom at Osaka

A giant replica of a California almond tree is blooming in Osaka, and visitors to the popular San Francisco pavilion are stopping beneath its branches to sample the many types of flavored cocktail almonds now available in Japan, and to learn more about the almonds—from planting to processing.

The exhibit also features a display of the products of many of the California Almond Growers Exchange's customers—candy bars, convenience foods, and baking items—all using almonds.

The California Almond Growers Exchange and Sunkist Growers of Los Angeles are the only U.S. agricultural processors with their own exhibits at Expo '70, and both exhibits have attracted considerable attention from Expo-goers.

The Exchange expects to ship more than 8 million pounds of shelled California almonds this year to Japan—a rapidly growing market for almonds.

The almond is an important income-producing farm commodity in California, the only State where almonds are grown commercially.

U.S. Steer Heads for Fair

On the first day of Washington's annual Japanese cherry blossom festival, the 1969 Grand Champion Steer of the Chicago International Livestock Exposition headed for Expo '70 in Osaka. The 1,250-pound Charolais-Angus crossbred, raised as a 4-H project by an 11-year-old Illinois boy will be exhibited in Japan as a representative of U.S. quality beef.

On April 7 Secretary of Agriculture Clifford Hardin presented the animal to Japanese Ambassador Takeso Shimoda in a ceremony at the U.S. Department of Agriculture. Afterward the steer was shipped to Japan, where he will be presented to Minister of Agriculture Kuraishi and members of Japan's 4-H Association.



CROPS AND MARKETS SHORTS

Weekly Rotterdam Grain Price Report

Current prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago, are as follows:

Item	April 8	Change from previous week	A year ago
	Dol. per bu.	Cents per bu.	Dol. per bu.
Wheat:			
Canadian No. 2 Manitoba	1.98	-1	1.93
USSR SKS-14	(¹)	(¹)	1.87
Australian Hard	1.75	0	(¹)
U.S. No. 2 Dark Northern Spring:			
14 percent	1.83	-1	1.88
15 percent	1.95	0	1.91
U.S. No. 2 Hard Winter:			
13.5 percent	1.77	0	1.82
Argentine	(¹)	(¹)	1.80
U.S. No. 2 Soft Red Winter	1.68	+1	1.68
Feedgrains:			
U.S. No. 3 Yellow corn	1.57	+3	1.38
Argentine Plate corn	1.56	+4	1.40
U.S. No. 2 sorghum	(¹)	(¹)	1.35
Argentine-Granifero	1.32	0	1.17
Soybeans:			
U.S. No. 2 Yellow	3.02	-1	2.91

¹ Not quoted.

Note: All quoted c.i.f. Rotterdam for 30- to 60-day delivery.

Meat Imports Up in February

U.S. meat imports subject to the Meat Import Law during February 1970 totaled 100.7 million pounds. This quantity is about double the February 1969 level of 50.4 million pounds. The reduction in entries for consumption during February last year was due to the dock strike on the Atlantic and Gulf coasts.

U.S. IMPORTS SUBJECT TO MEAT IMPORT LAW [Public Law 88-482]

Imports	February	January-February
	Million pounds	Million pounds
1970:		
Subject to Meat Import Law ¹	100.7	225.2
Total beef and veal ²	110.2	247.9
Total red meats ³	153.2	323.7
1969:		
Subject to Meat Import Law ¹	50.4	92.3
Total beef and veal ²	60.0	111.9
Total red meats ³	85.7	149.3
1968:		
Subject to Meat Import Law ¹	72.6	153.4
Total beef and veal ²	79.4	168.2
Total red meats ³	115.8	241.3

¹ Fresh, chilled, and frozen beef, veal, mutton, and goat meat.

² All forms, including canned and preserved. ³ Total beef, veal, pork, lamb, mutton, and goat meat.

Imports from all eligible suppliers except Northern Ireland were up from February 1969. Imports from the largest supplier, Australia, totaled 47.3 million pounds, followed by New

Zealand with 10.8 million, Ireland with 10.7 million, Mexico with 7.1 million, Canada with 5.8 million, Costa Rica with 5.5 million, and Nicaragua with 5.0 million.

U.S. IMPORTS OF MEAT SUBJECT TO MEAT IMPORT LAW¹ BY COUNTRY OF ORIGIN [Product weight]

Country of origin	February		Jan.-Feb.		Change from 1969	
	1969	1970	1969	1970	Feb.	Jan.-Feb.
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	Per cent	Per cent
Australia	18,676	47,313	25,374	118,136	+153.3	+365.6
Mexico	5,258	7,136	15,307	21,662	+35.7	+41.5
New Zealand	5,875	10,851	11,801	19,889	+84.7	+68.5
Ireland	4,282	10,710	6,125	17,324	+150.1	+182.8
Canada	3,220	5,815	6,835	11,959	+80.6	+75.0
Costa Rica	2,197	5,502	5,537	9,967	+150.4	+80.0
Nicaragua	3,327	5,013	7,620	8,557	+50.7	+12.3
Honduras	1,914	2,466	4,019	6,942	+28.8	+72.7
Guatemala	2,876	3,202	4,606	6,546	+11.3	+42.1
Panama	313	1,129	1,083	1,824	+260.7	+68.4
Dominican Republic	1,090	570	2,548	1,242	-47.7	-51.3
United Kingdom	1,280	862	1,280	862	-32.7	-32.7
Haiti	119	158	205	268	+32.8	+30.7
Other countries	—	—	—	—	—	—
Total	50,427	100,727	92,340	225,178	+99.7	+143.9

¹ Fresh, frozen, and chilled beef, veal, mutton, and goat meat. Excludes canned meat and other prepared or preserved meat products.

U.S. Exports of Soybeans, Products

February soybean exports from the United States totaled 31.6 million bushels, only slightly more than in January but 20 million bushels more than in February 1969 during the longshoremen's strike. The September-February total of 219.7 million bushels surpassed exports in the same 6-month period last year by 72 million bushels. Almost 60 percent of the increase was in direct shipments to the European Community (EC) and Japan. Most of the 8-million-bushel increase in exports designated as destined for Canada undoubtedly also moved on to the EC and Japan. Bean exports to Japan, the largest market, reached 48.9 million bushels, against 32.3 million a year earlier.

Soybean oil exports in February—at 57.6 million pounds—declined sharply from the December and January levels but were almost 3 times the February 1969 volume. Moreover, the increase from a year earlier was largely in commercial sales. October-February exports reached 409.7 million pounds, 72 million pounds more than during the same period last year. All of the increase resulted from larger commercial sales, particularly to Iran, Peru, and the United Kingdom. Shipments under Public Law 480 programs were almost at last year's level for the same period, although they accounted for about 66 percent of total soybean oil exports compared with 80 percent of the total a year earlier. This year more P.L. 480

oil went to Pakistan, Tunisia, and Israel, and sharply less went to India.

Cottonseed oil continued to move in large volume in February—52.3 million pounds in contrast to 29.7 million a year earlier. October-February exports were 252.7 million pounds, compared with only 62.3 million in the same period a year earlier. The sharp increase reflected continued large sales by the Commodity Credit Corporation of oil acquired under the 1968 price support program, as well as increased commercial sales. Exports to the United Kingdom represented the largest gain—48 million pounds in contrast to only 5,000 pounds a year earlier.

February soybean meal exports were down from the exceptionally high levels of December and January. However, they totaled 287,000 tons, compared with only 60,200 tons in Feb-

U.S. EXPORTS OF SOYBEANS, OILS, AND MEAL

Item and country of destination	Unit	February		Sept.-Feb.	
		1969 ¹	1970 ¹	1968- 69 ¹	1969- 70 ¹
SOYBEANS					
Belgium-Luxembourg ...	Mil. bu.	0.7	0.8	5.0	11.3
France	do.	0	.5	.2	1.8
Germany, West	do.	.6	3.4	16.6	20.5
Italy	do.	1.1	2.1	10.4	16.5
Netherlands	do.	1.9	4.9	23.9	32.0
Total EC	do.	4.3	11.7	56.1	82.1
Japan	do.	4.0	9.0	32.3	48.9
Canada	do.	.1	.1	19.1	27.3
Spain	do.	2.2	4.3	15.8	18.0
China, Taiwan	do.	.8	2.4	7.8	11.0
Denmark	do.	0	1.0	6.6	9.8
Israel	do.	0	1.2	2.3	6.6
Others	do.	0	1.9	7.7	16.0
Total	do.	11.4	31.6	147.7	219.7
Oil equivalent	Mil. lb.	125.6	346.9	1,621.8	2,412.4
Meal equivalent	1,000 tons	268.8	742.6	3,471.1	5,163.2
EDIBLE OILS					
Soybean: ²					
Pakistan	Mil. lb.	0	(³)	89.6	129.7
Tunisia	do.	13.4	1.2	13.9	48.0
Iran	do.	0	13.7	10.3	32.7
India	do.	.5	7.2	112.5	27.1
Peru	do.	0	7.7	7.0	21.3
Israel	do.	(³)	.1	12.2	16.6
Chile	do.	0	.5	14.1	14.6
Canada	do.	1.7	3.6	11.6	13.7
Colombia	do.	0	.6	2.9	8.2
United Kingdom	do.	(³)	2.8	(³)	8.1
Haiti	do.	1.9	1.8	7.9	7.8
Dominican Republic	do.	.8	0	4.4	7.6
Others	do.	1.7	18.4	51.7	74.3
Total	do.	20.0	57.6	338.1	409.7
Cottonseed: ²					
United Kingdom	do.	0	16.6	(³)	48.0
Iran	do.	0	0	0	37.7
Venezuela	do.	5.4	4.2	31.4	35.5
U.A.R.	do.	0	0	0	27.2
Netherlands	do.	8.5	13.4	10.0	26.5
Pakistan	do.	0	0	0	17.8
Mexico	do.	0	3.2	(³)	11.5
Canada	do.	1.0	1.8	4.9	11.2
Germany, West	do.	13.0	4.2	13.0	6.8
Others	do.	1.8	8.9	3.0	30.5
Total	do.	29.7	52.3	62.3	252.7
Total oils	do.	49.7	109.9	400.4	662.4

Item and country of destination	Unit	February		Oct.-Feb.	
		1968 ¹	1969 ¹	1968- 69 ¹	1969- 70 ¹
CAKES AND MEALS					
Soybean:					
Belgium-Luxembourg	1,000 tons	0	21.5	55.4	100.9
France	do.	13.3	35.4	136.6	268.9
Germany, West	do.	.1	71.5	193.1	463.2
Italy	do.	17.9	25.1	80.1	144.7
Netherlands	do.	2.2	28.0	143.3	246.2
Total EC	do.	33.5	181.5	608.5	1,223.9
Canada	do.	25.9	18.7	104.7	109.4
Hungary	do.	0	12.6	0	56.0
Poland	do.	0	25.0	34.0	52.8
Yugoslavia	do.	0	0	39.8	45.0
Spain	do.	.1	0	31.5	34.1
Ireland	do.	0	10.5	10.9	28.1
Denmark	do.	0	6.8	10.9	27.4
Switzerland	do.	0	2.6	12.4	27.1
Japan	do.	.1	5.0	.1	24.1
United Kingdom	do.	(⁴)	2.9	19.1	18.7
Philippines	do.	0	0	9.1	15.6
Australia	do.	0	2.7	8.1	15.4
Others	do.	.6	18.7	28.3	53.0
Total	do.	60.2	287.0	917.4	1,730.6
Cottonseed	do.	.4	.4	1.9	2.8
Linseed	do.	.1	1.2	30.1	47.2
Total cakes and meals ⁵	do.	65.4	292.3	979.1	1,796.8

¹ Preliminary. ² Includes shipments under P.L. 480 as reported by Census. ³ Less than 50,000 lb. ⁴ Less than 50 tons. ⁵ Includes peanut cake and meal and small quantities of other cakes and meals.

Computed from rounded numbers. Bureau of the Census.

February 1969. The 1.7 million tons that moved to foreign markets during October-February exceeded the tonnage in the same period of the previous year by 813,000 tons or 89 percent. Over three-fourths of the gain was in sales to the EC—one third in sales to West Germany alone. The 463,000 tons marketed in West Germany exceeded the previous year's level by 140 percent.

Chilean Dried Fruit Pack Down

Because severe frost in the Province of Curicó reduced crops of major fruits last year, Chilean 1970 dried fruit production is estimated at 7,900 short tons, 6 percent below the 1969 crop of 8,400 tons. Dried prune production is estimated at 5,300 tons, 4 percent below last season. Production of dried peaches declined 17 percent.

Chilean exports of dried fruit—mostly prunes—totaled 2,300 tons in 1969. The major foreign markets were West Germany, the United Kingdom, Italy, Brazil, and Mexico.

CHILEAN PRODUCTION OF DRIED FRUIT				
Item	1967	1968	1969	1970 ¹
Prunes	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
Peaches	6,100	5,800	5,500	5,300
Raisins	1,900	1,800	1,800	1,500
Others	900	800	800	800
Total	400	400	300	300
Total	9,300	8,800	8,400	7,900

¹ Estimated.

Yugoslav Subsidy for Processing

The Yugoslav Government has announced that \$281,411 is available to help the fruit and vegetable processing industry reduce 1969 sugar costs. The subsidy funds have been raised through additional duties on numerous food and agricultural items.

The Federal Directorate of Food Reserves imported 5,702 short tons of sugar in 1969 at 7.55 cents per pound. The sugar was then sold to the processing industry for 5.08 cents a pound, 2.47 cents below cost. The Federal Directorate for Food Reserves will receive the allotted funds directly.

Danish Vegetable Import Tender

The Danish Ministry of Commerce has announced that imports of the following fresh vegetables will be permitted against unrestricted license from April 1 through April 30: Cabbage, horseradish, leeks, and beets. Licenses for import of these vegetables are not required during the normal seasonal period from May 1 through June 30.

Smaller Argentine Dried Fruit Crop

Argentina reports small packs of raisins and dried prunes despite larger fresh crops of grapes and plums. Production of raisins and currants in 1970 is estimated at 1,100 short tons, one-half the 1969 crop of 2,200 tons and the lowest level in recent years. Dried prune production is estimated at 4,700 tons, 15 percent below 1968 and 42 percent below the 1964-68 average. Reports indicate that a heavy winery demand for grapes and a strong market for fresh grapes and plums contributed to the smaller packs.

Exports of all dried fruits are expected to decline during 1970. Exports of raisins and currants have been relatively stable during the past 3 years, ranging from 1,543 to 1,635 tons. Prune exports were 1,832 tons in 1969. Argentina's major export market is Brazil.

ARGENTINE PRODUCTION OF DRIED FRUIT

Item	1967	1968	1969	1970 ¹
	Short tons	Short tons	Short tons	Short tons
Prunes	10,700	5,500	5,500	4,700
Raisins and currants	6,200	11,000	2,200	1,100

¹ Estimated.

India's Tea Outturn Down in 1969

Preliminary data place India's 1969 tea crop at about 870 million pounds, down 1.8 percent from the record 1968 harvest of 886 million pounds. The smaller outturn was the result of strikes by tea workers and less favorable growing conditions late in the season.

Data for the first 11 months of 1969 show tea exports at only 333 million pounds, down sharply from the corresponding 1968 period when exports were 406 million pounds. The sharp fall in exports was due to smaller shipments to the United Kingdom—116 million pounds, compared with 198 million pounds during the same 1968 period.

Domestic consumption has continued to expand and now accounts for one-half of total crop, placing India second to the United Kingdom in tea usage.

Cyclone Hits Mauritius Sugarcane

The hopes of Mauritius for another near-record sugar crop were dampened the last weekend of March by Cyclone Louise. Gusts of wind swept the sugarcane fields in the eastern and southern area of the island causing considerable damage. First estimates of the damage indicate a 1970 sugar production of 500,000 to 550,000 metric tons instead of previous expectations of 680,000 tons. Until the cyclone, almost ideal weather conditions had prevailed, and the largest sugarcane tonnage in history was predicted. Now, with cooler months approaching, sustained growth revival is considered unlikely.

Tobacco Exports Up in February

U.S. exports of unmanufactured tobacco in February 1970 and cumulative January-February were substantially larger than in the same period a year ago when the dock strike sharply reduced export volume. Compared with a more normal period, such as 1966 through 1968, however, the 1970 level of exports is down.

Cumulative July 1969 through February 1970, exports of

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
[Export weight]

Kind	February		January-February	
	1969	1970	1969	1970
Flue-cured	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Burley	2,048	20,249	8,475	34,679
Dark-fired Ky.-Tenn.	1,054	2,285	1,701	3,270
Va. Fire-cured ¹	565	754	571	2,023
Maryland	164	91	596	194
Green River	110	547	110	1,372
One Sucker	—	54	—	87
Black Fat	—	15	—	38
Cigar wrapper	14	137	14	429
Cigar binder	42	46	79	130
Cigar filler	10	5	10	54
Other	2	28	14	98
Total	215	4,014	797	6,334
	4,224	28,225	12,367	48,708
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
Declared value	3.5	26.4	12.3	45.3

¹ Includes sun-cured.

Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Kind	February		January-February	
	1969	1970	1969	1970
Cigars and cheroots				
1,000 pieces	6,271	4,465	7,367	8,339
Cigarettes				
Million pieces	1,525	1,967	2,230	3,902
Chewing and snuff				
1,000 pounds	(¹)	16	(¹)	19
Smoking tobacco in packages				
1,000 pounds	67	57	106	109
Smoking tobacco in bulk				
1,000 pounds	226	1,000	512	2,279
Total declared value				
Million dollars	8.3	12.1	12.4	24.0

¹ Less than 500 pounds.
Bureau of the Census.

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unmanufactured tobacco totaled 409.4 million pounds, compared with 367.1 million pounds during the same 8-month period last year and 409.7 million pounds a year earlier.

Export value of tobacco products in February 1970 and cumulative January-February were not only up sharply from the same period last year but substantially above average for recent years.

U.S. Tobacco Exports to the EC

U.S. exports of unmanufactured tobacco to the European Community (EC) in 1969 totaled 180.9 million pounds, up 10 percent from 164.6 million pounds in 1968 and 24 percent above the 1960-64 year average of 146.1 million pounds. The 1969 exports to the EC, valued at \$149 million, were 16 percent above the 1968 value of \$128.6 million. The average export value—at 82.4 cents per pound—was 4.3 cents above the 78.1 cents in 1968.

West Germany continued to be the leading purchaser with 101.8 million pounds, an increase of 15 percent from 88.6 million pounds in 1968. Exports to Italy increased nearly 4 times to 19.5 million pounds from 5.0 million pounds in 1968. French purchases increased to 8.6 million pounds, up 25 percent from the 6.9 million pounds in 1968. Sales to Belgium and Luxembourg were down 13 percent in 1969, while those to the Netherlands were down 25 percent.

The EC is a very important market for U.S. unmanufactured tobacco. In 1969, 31.3 percent of total U.S. unmanufactured tobacco exports went to the Community, somewhat larger than the 27.5-percent share in 1968 and the 29.4-percent share during 1960-64. While U.S. tobacco exports to the Community have continued to grow, developments in the final formulation of a common agricultural policy for tobacco may place the United States in a more difficult competitive position in the future.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO TO THE EUROPEAN COMMUNITY

Item	Average		1968		1969	
	Quantity	Value	Quantity	Value	Quantity	Value
West Germany	Mil. lb.	Mil. dol.	Mil. lb.	Mil. dol.	Mil. lb.	Mil. dol.
Netherlands	79.2	60.9	88.6	74.1	101.8	89.7
Italy	32.2	18.0	44.0	30.3	33.6	22.6
Belgium-Luxembourg	11.3	7.9	5.0	4.2	19.5	17.3
France	17.4	9.3	20.1	14.6	17.4	13.5
Total EC	6.0	4.0	6.9	5.4	8.6	6.0
Total U.S. tobacco exports	146.1	100.1	164.6	128.6	180.9	149.1
Percent of total to EC	29.4	25.5	27.5	24.5	31.3	27.6

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